



CITY OF ALLENTOWN

192

RESOLUTION

R - 2022

Introduced by the Administration on December 7, 2022

Authorizes lease agreement with Roger MacLean for the residential property located at 145 Springhouse Road, Allentown, PA 18104

Resolved by the Council of the City of Allentown, That

WHEREAS, the City of Allentown is desirous of leasing 145 Springhouse Road, Allentown, PA 18104, to Roger MacLean for the period of January 2023, through December 2024, with the option to renew for one additional year.

WHEREAS, Article IV Financial Procedures, Chapter 5 Administration of Government, Section 5-28 Sale/Leasing of City Land, requires City Council approval for leasing City-owned real estate for a term in excess of five years.

WHEREAS, Roger MacLean has been a tenant of 145 Springhouse Road, Allentown, PA 18104, for over 20 years. Mr. MacLean has proven to be a good tenant. He has taken care of the property and made rent payments in a timely fashion.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Allentown Pennsylvania, hereby designates the Mayor as the official to execute all documents and agreements between the City of Allentown and Roger MacLean to execute the requested lease agreement.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

The lease agreement originates from the Finance Director's office. This office is responsible for managing lease agreements for City-owned properties. The terms of this agreement were developed in consultation with the Solicitor's Office.

- **Summary and Facts of the Bill**

The Resolution is required to proceed with execution of the lease agreement between the City and Roger MacLean for the rental of 145 Springhouse Rd., Allentown, PA 18104.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City's Vision/Mission/Priorities**

The Resolution allows for the lease agreement to be fully executed once signed by all parties.

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

The terms of the rent are for an initial term of two years, with one additional one-year renewal term. The rent increases annually by 5% and are as follows:

Initial Term:

Year One (1/1/23-12/31/23) - \$1400/mo. or \$16,800 total

Year Two (1/1/24-12/31/24) - \$1470/mo. or \$17,640 total

Renewal Term:

Year Three (1/1/25-12/31/25) - \$1,544/mo. or \$18,522 total

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

No funding is needed.

- **Priority status/Deadlines, if any**

The previous lease agreement between Roger MacLean for this property ends on December 31st, 2022.

- **Why should Council unanimously support this bill?**

Roger MacLean has been a good tenant of the City's for over 20 years. The terms of this lease are below market value, but represent a 46% annual increase over the current rent. This rent is in line with the City's other rental homes with similar characteristics. The City is trending from its prior standard of leasing rental homes at a lower rate while requiring tenants to complete capital work, towards leasing homes closer to market value with the City being responsible for maintenance and improvements.